



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Legislative Fiscal Analyst
CLAYTON SCHENCK

DATE: May 22, 2008

TO: Legislative Finance Committee

FROM: Roger Lloyd, Senior Fiscal Analyst

RE: Approval of Preliminary Bill Drafts

The two bill drafts requested at the March 7th meeting are attached. The Legislative Finance Committee approved the drafting of legislation to:

- Eliminate the following permanent general fund transfers:

| LC 65 Permanent General Fund Transfers | | |
|---|--|------------------------|
| MCA Authorization | Name | Legislative Session |
| 15-1-122 | HB 124 transfers of motor vehicle fee revenue | 2001 |
| 17-1-511(2) | SB 553 - Incentives for rural physicians | 2007 |
| 77-1-108(4)(a) | HB 19 - To Morrill trust land administration account | 2007 |

- Eliminate and consolidate the following statutory appropriations:

| LC 66 | |
|---|--|
| Statutory Appropriations | |
| Action | MCA & Name |
| <u>Eliminate - Not Used Since FY 2001</u> | |
| | 10-2-603 State Veterans' cemeteries |
| | 17-7-304 MUS deferred maintenance & equipment |
| | 53-6-703 Defray the managed care application review cost |
| | 61-3-415 Grants wished to chronically or critically ill children |
| | 75-5-1108 Loans for water pollution control |
| | 75-6-214 Financial assistance to public water systems |
| | 80-5-510 Administer agricultural seed dispute resolutions |
| | 87-1-513 Grants to the Montana food bank network |
| <u>Consolidate</u> | |
| | 23-4-105 for the good of the existing horseracing industry |
| | 23-4-202 for the good of the existing horseracing industry |
| | 23-4-204 for the good of the existing horseracing industry |
| | 23-4-302 for the good of the existing horseracing industry |
| | 23-4-304 for the good of the existing horseracing industry |
| <u>Eliminate - Invalid</u> | |
| | 75-10-622 |

Two things need to be brought to the committee's attention:

- The two bill drafts are preliminary and may change once the legal staff has updated the MCA for contingency language in July. If this happens, I will notify the committee of any changes.
- In eliminating the permanent general fund transfers, the committee's intent was not to short the programs, but to replace the lost revenue from the general fund with general fund appropriations in HB 2. In the motion to approve LC 65, this intent should be stated.

Suggested Motions:

1. I move to approve bill draft LC 65 and instruct LFD staff to, at the appropriate time, amend HB 2 with restricted line item general fund appropriations to replace the lost revenue from general fund. Any non-substantive changes made by legal staff are approved.
2. I move to approve bill draft LC 66. Any non-substantive changes made by legal staff are approved.

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As of: May 27, 2008 (10:08am)

LC0065

**** Bill No. ****

Introduced By *****

By Request of the Legislative Finance Committee

A Bill for an Act entitled: "An Act Eliminating Certain General Fund Transfers relative to the adoption services account, the department of transportation state special revenue nonrestricted account, the motor vehicle recycling and disposal program, the noxious weed state special revenue account, the department of fish, wildlife, and parks, the state veterans' cemetery account and the veterans' services account, the senior citizens and persons with disabilities transportation services account, the search and rescue account, the rural physician incentive state special revenue account and the Morrill Act state special revenue account; amending sections 7-14-112, 10-2-112, 10-2-603, 10-3-801, 17-1-508, 17-6-201, 17-7-502, 20-26-1501, 61-3-459, 77-1-108, and 77-1-109, MCA; repealing sections 15-1-122 and 17-1-511, MCA; and providing an effective date."

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 7-14-112, MCA, is amended to read:

"7-14-112. Senior citizen and persons with disabilities transportation services account -- use. (1) There is a senior citizen and persons with disabilities transportation services account in the state special revenue fund. ~~Money must be deposited in the account pursuant to 15-1-122(3)(e).~~

(2) Except as provided in subsection (6), the account must be used to provide operating funds or matching funds for operating grants pursuant to 49 U.S.C. 5311 to counties, incorporated cities and towns, transportation districts, or nonprofit organizations for transportation services for persons 60 years of age or older and for persons with disabilities.

(3) (a) Subject to the conditions of subsection (3)(b), the department of transportation is authorized to award grants to counties, incorporated cities and towns, transportation districts, and nonprofit organizations for transportation services using guidelines established in the state management plan for the purposes described in 49 U.S.C. 5310 and 5311.

(b) Priority for awarding grants must be determined according to the following factors:

(i) the most recent census or federal estimate of persons 60 years of age or older and persons with disabilities in the area served by a county, incorporated city or town, transportation district, or nonprofit organization;

(ii) the annual number of trips provided by the transportation provider to persons 60 years of age or older and to persons with disabilities in the transportation service area;

(iii) the ability of the transportation provider to provide matching money in an amount determined by the department of transportation; and

(iv) the coordination of services as required in subsection (5).

(4) The department of transportation shall ensure that the

available funding is distributed equally among the five transportation districts provided in 2-15-2502.

(5) In awarding grants, the department of transportation shall give preference to proposals that:

(a) include the establishment of a transit authority to coordinate service area or regional transportation services;

(b) address and document the transportation needs within the community, county, and service area or region;

(c) identify all other transportation providers in the community, county, and service area or region;

(d) explain how services are going to be coordinated with the other transportation providers in the service area or region;

(e) indicate how services are going to be expanded to meet the unmet needs of senior citizens and disabled persons within the community, county, and service area or region who are dependent upon public transit;

(f) include documentation of coordination with other local transportation programs within the community, county, and service area or region, including:

(i) utilization of existing resources and equipment to maximize the delivery of service; and

(ii) the projected increase in ridership and expansion of service;

(g) invite school districts to participate or be included in the transportation coordination efforts within the community, county, and service area or region; and

(h) at a minimum, comply with the provisions in subsections

(5)(b) through (5)(f).

(6) Any money remaining after grants have been awarded to transportation providers who provide transportation services for persons 60 years of age or older and persons with disabilities may be awarded to other transportation providers for operating costs or matching funds for operating grants for the purposes described in 49 U.S.C. 5311 other than for transportation services for persons 60 years of age or older or persons with disabilities."

{ Internal References to 7-14-112:
15-1-122x }

Section 2. Section 10-2-112, MCA, is amended to read:

"10-2-112. Veterans' services special revenue account -- sources of funds -- designated uses. (1) There is a veterans' services account in the state special revenue fund, established pursuant to 17-2-102(1)(b), to the credit of the board.

(2) Money ~~transferred pursuant to 15-1-122(3)(d)~~ from license plate sales as described in 10-2-114 and from gifts, grants, or donations must be deposited in the veterans' services account.

(3) Legislative appropriations of money in the veterans' services account must be used for the purposes identified in 10-2-102 or other functions authorized by the board.

(4) There is a veterans' services federal account in the federal special revenue fund established for federal funds received under 10-2-106."

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{ Internal References to 10-2-112:

10-2-102 check 1i x 10-2-106 x 10-2-106 x 10-2-114x
15-1-122 x 15-30-154 x 15-30-154 x 15-30-154x
15-30-154x}

Section 3. Section 10-2-603, MCA, is amended to read:

"10-2-603. Special revenue account -- use of funds -- solicitation. (1) There is an account in the special revenue fund to the credit of the board for the state veterans' cemeteries.

(2) Plot allowances, and donations to the cemetery program, ~~and fund transfers pursuant to 15-1-122(3)(d)~~ must be deposited into the account.

(3) The account is statutorily appropriated, as provided in 17-7-502, to the board and may be used only for the construction, maintenance, operation, and administration of the state veterans' cemeteries.

(4) The board shall solicit veterans' license plate sales and donations on behalf of the state veterans' cemeteries."

{ Internal References to 10-2-603:

10-2-102 x check 1i 10-2-106 x 15-1-122 x 15-30-154x
15-30-154 x 15-30-154 x 17-7-502 shld still be ok 61-3-459x}

Section 4. Section 10-3-801, MCA, is amended to read:

"10-3-801. Account created for funding search and rescue operations -- rules. (1) There is an account in the state special revenue fund established in 17-2-102. The account must be administered by the disaster and emergency services division of the department exclusively for the purposes of search and rescue as provided in this section. The department may retain up to 5%

of the money in the account to pay its costs of administering this section.

(2) There must be deposited in the account:

~~(a) fund transfers pursuant to 15-1-122(3)(f);~~

~~(b)~~(a) fund transfers pursuant to 87-1-601(9). These funds may be used only as provided in 87-1-601(9).

~~(c)~~(b) all money received by the department in the form of gifts, grants, reimbursements, or appropriations from any source intended to be used for search and rescue operations.

(3) (a) Not less than 50% of the money in the account must be used by the department to defray costs of:

(i) local search and rescue units for search and rescue missions conducted through a county sheriff's office at a maximum of \$3,000 for each rescue mission, regardless of the number of counties or county search and rescue organizations involved. To fulfill the purposes of this subsection (3)(a)(i), the department shall transmit reimbursement money to the county treasurer, who shall deposit the funds in a separate search and rescue fund accessible by the local search and rescue unit that requested the reimbursement. The county treasurer shall notify the reimbursed local search and rescue unit by mail when the deposit occurs.

(ii) a county sheriff's office at a maximum of \$3,000 for each rescue mission, regardless of the number of counties or county search and rescue organizations involved.

(b) The remaining money in the account may be used by the department:

(i) to match local funds for the purchase of equipment for

use by local search and rescue units at a maximum of \$2,000 for each unit in a calendar year. The cost-sharing match must be 35% local funds to 65% from the account.

(ii) for reimbursement of expenses related to the training of search and rescue volunteers.

(4) The department may adopt rules to implement the proper administration of the account. The rules may include:

(a) a method of reimbursing local search and rescue units or a county sheriff's office, on a case-by-case basis, for authorized search and rescue operations conducted pursuant to subsection (3)(a), including verification of search missions, claims procedures, fiscal accountability, and the number and circumstances of search missions involving persons engaged in hunting, fishing, and trapping in a fiscal year;

(b) methods for processing requests for equipment matching funds and training funds made pursuant to subsection (3)(b), including any verification and accounting necessary to ensure that the provisions of subsection (3)(b) are met, and determining the percentage of all search missions involving persons engaged in hunting, fishing, or trapping in a fiscal year;

(c) a system involving input from representatives of county sheriff organizations and state and local search and rescue organizations for assistance in verifying and processing claims for reimbursement, equipment, and training; and

(d) a method for compiling and keeping current a contact list of all search and rescue units in Montana and in neighboring states and provinces in order to ensure collaboration,

communication, and cooperation between the various county search and rescue units and between the department and the county units and dedication of a page on the department's website for posting the contact list and other relevant search and rescue information."

{ Internal References to 10-3-801:

15-1-122 x 87-1-601 x 87-1-601 x 87-1-601x }

Section 5. Section 17-1-508, MCA, is amended to read:

"17-1-508. Review of statutory appropriations. (1) Each biennium, the office of budget and program planning shall, in development of the executive budget, review and identify instances in which statutory appropriations in current law do not appear consistent with the guidelines set forth in subsection (2).

(2) The review of statutory appropriations must determine whether a statutory appropriation meets the requirements of 17-7-502. ~~Except as provided in 77-1-108, a~~ A statutory appropriation from a continuing and reliable source of revenue may not be used to fund administrative costs. In reviewing and establishing statutory appropriations, the legislature shall consider the following guidelines. A statutory appropriation may be considered appropriate if:

- (a) the fund or use requires an appropriation;
- (b) the money is not from a continuing, reliable, and estimable source;
- (c) the use of the appropriation or the expenditure

occurrence is not predictable and reliable;

(d) the authority does not exist elsewhere;

(e) an alternative appropriation method is not available, practical, or effective;

(f) other than for emergency purposes, it does not appropriate money from the state general fund;

(g) the money is dedicated for a specific use;

(h) the legislature wishes the activity to be funded on a continual basis; and

(i) when feasible, an expenditure cap and sunset date are included.

(3) The office of budget and program planning shall prepare a fiscal note for each piece of legislation that proposes to create or amend a statutory appropriation. It shall, consistent with the guidelines in this section, review each of these pieces of legislation. Its findings concerning the statutory appropriation must be contained in the fiscal note accompanying that legislation."

{Internal References to 17-1-508: None.x}

Section 6. Section 17-6-201, MCA, is amended to read:

"17-6-201. Unified investment program -- general provisions. (1) The unified investment program directed by Article VIII, section 13, of the Montana constitution to be provided for public funds must be administered by the board of investments in accordance with the prudent expert principle, which requires an investment manager to:

(a) discharge the duties with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity with the same resources and familiar with like matters exercises in the conduct of an enterprise of a like character with like aims;

(b) diversify the holdings of each fund within the unified investment program to minimize the risk of loss and to maximize the rate of return unless, under the circumstances, it is clearly prudent not to do so; and

(c) discharge the duties solely in the interest of and for the benefit of the funds forming the unified investment program.

(2) (a) Retirement funds may be invested in common stocks of any corporation.

(b) Other public funds may not be invested in private corporate capital stock. "Private corporate capital stock" means only the common stock of a corporation.

(3) (a) This section does not prevent investment in any business activity in Montana, including activities that continue existing jobs or create new jobs in Montana.

(b) The board is urged under the prudent expert principle to invest up to 3% of retirement funds in venture capital companies. Whenever possible, preference should be given to investments in those venture capital companies that demonstrate an interest in making investments in Montana.

(c) In discharging its duties, the board shall consider the preservation of purchasing power of capital during periods of high monetary inflation.

(d) The board may not make a direct loan to an individual borrower. The purchase of a loan or a portion of a loan originated by a financial institution is not considered a direct loan.

(4) The board has the primary authority to invest state funds. Another agency may not invest state funds unless otherwise provided by law. The board shall direct the investment of state funds in accordance with the laws and constitution of this state. The board has the power to veto investments made under its general supervision.

(5) The board shall:

(a) assist agencies with public money to determine if, when, and how much surplus cash is available for investment;

(b) determine the amount of surplus treasury cash to be invested;

(c) determine the type of investment to be made;

(d) prepare the claim to pay for the investment; and

(e) keep an account of the total of each investment fund and of all the investments belonging to the fund and a record of the participation of each treasury fund account in each investment fund.

(6) The board may:

(a) execute deeds of conveyance transferring real property obtained through investments. Prior to the transfer of real property directly purchased and held as an investment, the board shall obtain an appraisal by a qualified appraiser.

(b) direct the withdrawal of funds deposited by or for the

state treasurer pursuant to 17-6-101 and 17-6-105;

(c) direct the sale of securities in the program at their full and true value when found necessary to raise money for payments due from the treasury funds for which the securities have been purchased.

(7) The cost of administering and accounting for each investment fund must be deducted from the income from each fund, other than the fund derived from land granted to the state pursuant to the Morrill Act of 1862, 7 U.S.C. 301 through 308, and the Morrill Act of 1890, 7 U.S.C. 321 through 329. An appropriation to pay the costs of administering and accounting for the Morrill Act Fund is provided for in ~~77-1-108~~the general appropriations act."

{ Internal References to 17-6-201:

| | | | | | | |
|----------|---|----------|---|-----------|---|-------------|
| 10-2-703 | x | 17-6-305 | x | 17-6-308 | x | 17-6-308x |
| 77-1-101 | x | 77-1-701 | x | 77-1-905 | x | 80-6-315x |
| 80-7-816 | x | 80-8-116 | x | 80-10-207 | x | 80-15-302x} |

Section 7. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be

listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-407; 5-13-403; 7-4-2502; 10-1-1202; 10-1-1303; 10-2-603; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-1-121; 15-1-218; 15-23-706; 15-31-906; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101; 15-70-369; 15-70-601; 16-11-509; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-304; 18-11-112; 19-3-319; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-4-105; 23-4-202; 23-4-204; 23-4-302; 23-4-304; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-1-504; 44-12-206; 44-13-102; 50-4-623; 53-1-109; 53-6-703; 53-24-108; 53-24-206; 60-11-115; 61-3-415; 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 76-13-150; ~~77-1-108~~; 77-2-362; 80-2-222; 80-4-416; 80-5-510; 80-11-518; 82-11-161; 87-1-513; 90-1-115; 90-1-205; 90-3-1003; 90-9-306; and section 2, Chapter 6, Special Laws of May 2007.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws

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of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to Ch. 422, L. 1997, the inclusion of 15-1-111 terminates on July 1, 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates July 1, 2014; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, and secs. 3 and 6, Ch. 481, L. 2003, the inclusion of 15-35-108 terminates June 30, 2010; pursuant to sec. 17, Ch. 593, L. 2005, the inclusion of 15-31-906 terminates January 1, 2010; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410 terminates upon the death of the last recipient eligible under 19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 10, Ch. 6, Sp. L. May 2007, the inclusion of section 2, Chapter 6, Special Laws of May 2007, terminates July 1, 2008; and pursuant to sec. 6, Ch. 2, Sp. L. September 2007, the inclusion of 76-13-150 is effective July 1, 2008, and terminates June 30, 2009.) "

{ Internal References to 17-7-502:

| | | | | | | |
|-----------|---|-----------|---|-----------|---|------------|
| 2-17-105 | x | 5-11-120 | x | 5-11-407 | x | 5-13-403x |
| 7-4-2502 | x | 10-1-1202 | x | 10-1-1303 | x | 10-2-603A |
| 10-3-203 | x | 10-3-310 | | 10-3-312x | | |
| 10-3-314 | x | 10-4-301 | x | 15-1-111 | x | 15-1-121x |
| 15-1-218 | x | 15-23-706 | x | 15-31-906 | x | 15-35-108x |
| 15-36-332 | x | 15-37-117 | x | 15-39-110 | x | 15-65-121x |

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|------------|---|-------------------|-----|-----------|---|------------|
| 15-70-101 | x | 15-70-369 | x | 15-70-601 | x | 16-11-509x |
| 17-1-508 | x | 17-3-106 | x | 17-3-212 | x | 17-3-222x |
| 17-3-241 | x | 17-6-101 | x | 17-7-304 | x | 17-7-501x |
| 18-11-112 | x | 19-3-319 | x | 19-6-404 | x | 19-6-410x |
| 19-9-702 | x | 19-13-604 | x | 19-17-301 | x | 19-18-512x |
| 19-19-305 | x | 19-19-506 | x | 19-20-604 | x | 19-20-607x |
| 19-21-203 | x | 20-8-107 | x | 20-9-534 | x | 20-9-622x |
| 20-26-1503 | x | 20-26-1503 | x | 22-3-1004 | x | 23-4-105x |
| 23-4-202 | x | 23-4-204 | x | 23-4-302 | x | 23-4-302x |
| 23-4-304 | x | 23-5-306 | x | 23-5-409 | x | 23-5-612x |
| 23-7-301 | x | 23-7-402 | x | 37-43-204 | x | 37-51-501x |
| 39-71-503 | x | 41-5-2011 | x | 42-2-105 | x | 44-1-504x |
| 44-12-206 | x | 44-13-102 | x | 50-4-623 | x | 53-1-109x |
| 53-6-703 | x | 53-24-108 | x | 53-24-108 | x | 53-24-206x |
| 60-11-115 | x | 61-3-415 | x | 69-3-870 | x | 75-1-1101x |
| 75-1-1101 | x | 75-5-1108 | x | 75-6-214 | x | 75-10-622x |
| 75-11-313 | x | 77-1-108 still ok | --R | 77-2-362 | x | 80-2-222x |
| 80-4-416 | x | 80-5-510 | x | 80-11-518 | x | 82-11-161x |
| 87-1-513 | x | 90-1-115 | x | 90-1-115 | x | 90-1-205x |
| 90-3-1003 | x | 90-9-306x} | | | | |

Section 8. Section 20-26-1501, MCA, is amended to read:

"20-26-1501. (Temporary) Rural physician incentive state special revenue account. There is a rural physician incentive state special revenue account in the state treasury. Money is payable into the account as provided in 20-26-1502. Income and earnings on the account must be redeposited in the account. The account must be administered by the board of regents as provided in this part.

20-26-1501. (Effective July 1, 2008) Incentive for physicians practicing in rural areas or medically underserved areas or for underserved populations state special revenue account. There is an incentive for physicians practicing in rural areas or medically underserved areas or for underserved populations state special revenue account. Money is payable into the account as provided in ~~17-1-511~~ and 20-26-1502. Income and

earnings on the account must be redeposited in the account. The account must be administered by the board of regents as provided in this part."

{ Internal References to 20-26-1501:

17-1-511 x 17-1-511 x 17-1-511 x 17-1-511x
20-26-1502 x 20-26-1502 x 20-26-1503 x 20-26-1503x }

Section 9. Section 61-3-459, MCA, is amended to read:

"61-3-459. Veterans' cemetery fee for special veteran license plates -- disposition. (1) Except as provided in 61-3-460, an applicant for special veteran license plates provided for under 61-3-458(3) shall pay \$10 for each set issued, renewed, or transferred, in addition to any other taxes or fees applicable under this chapter.

(2) Fees collected under this section must be deposited in the state general fund ~~and transferred as provided in 15-1-122 to the special revenue account for state veterans' cemeteries established in 10-2-603.~~"

{ Internal References to 61-3-459:

15-1-121 x 61-3-458 x 61-3-458 x 61-3-460x
61-3-460x }

Section 10. Section 77-1-108, MCA, is amended to read:

"77-1-108. Trust land administration account. (1) There is a trust land administration account in the state special revenue fund. Money in the account is available to the department by appropriation and must be used to pay the costs of administering state trust lands.

(2) Appropriations from the account for each fiscal year

may not exceed the sum of 1 1/8% of the book value balance in the permanent funds administered by the department, other than the fund containing proceeds derived from land granted to the state pursuant to the Morrill Act of 1862, 7 U.S.C. 301 through 308, and the Morrill Act of 1890, 7 U.S.C. 321 through 329, on the first day of January preceding the new biennium and 10% of the revenue deposited in the capitol building land grant trust fund in the last-completed fiscal year prior to the new biennium.

(3) ~~Except as provided in subsection (4), unreserved~~ Unreserved funds remaining in the account at the end of a fiscal year must be transferred to each of the permanent funds in proportionate shares to each fund's contribution to the account as calculated in 77-1-109(3).

~~(4) (a) The amount of \$80,000 each biennium is transferred from the state general fund to an account in the state special revenue fund. The account is statutorily appropriated, as provided in 17-7-502, to the department for the purposes of administering the land granted to the state pursuant to the Morrill Act of 1862, 7 U.S.C. 301 through 308, and the Morrill Act of 1890, 7 U.S.C. 321 through 329. Any unexpended portion of the statutory appropriation may be retained in the account and used for the administration of the Morrill Act land.~~

~~(b) At the end of each fiscal year, the department shall pay from the appropriation in subsection (4)(a) to the trust containing proceeds derived from land granted to the state pursuant to the Morrill Act of 1862, 7 U.S.C. 301 through 308, and the Morrill Act of 1890, 7 U.S.C. 321 through 329, an amount~~

~~calculated to be the cost of administering the investment of the fund derived from that trust. The payment must be based upon the percentage that the Morrill Act fund constitutes of the total fund derived from all trust lands."~~

{ Internal References to 77-1-108:

17-1-508 x 17-6-201 x 17-7-502 x 77-1-109x
77-1-109 x 77-2-328x }

Section 11. Section 77-1-109, MCA, is amended to read:

"77-1-109. Deposits of proceeds in trust land

administration account. (1) (a) The department shall, until the deposit equals the amount appropriated for the fiscal year pursuant to 77-1-108, deposit into the trust land administration account created by 77-1-108 the following:

(i) mineral royalties;

(ii) the proceeds or income from the sale of easements and timber, except timber from public school and Montana university system lands;

(iii) 5% of the interest and income annually credited to the public school fund in accordance with 20-9-341; and

(iv) fees collected pursuant to 77-2-328.

(b) The department may not make deductions from interest or income generated from lands granted to the state pursuant to the Morrill Act of 1862, 7 U.S.C. 301 through 308, and the Morrill Act of 1890, 7 U.S.C. 321 through 329.

(2) After the deposits in subsection (1) have been made, the remainder of the proceeds, other than proceeds from timber from Montana university system lands and other than those

purchased pursuant to 17-6-340, must be deposited in the appropriate permanent fund and the capitol building land grant trust fund. Timber proceeds from university system lands must be paid over to the state treasurer, who shall deposit the money to the credit of the proper fund for use as provided in 17-3-1003(1). Royalty payments purchased pursuant to 17-6-340 must be used as provided in that section and 20-9-622.

(3) The amount of money that is deposited into the trust land administration account may not exceed 1 1/8% of the book value balance in each of the permanent funds, ~~other than the fund containing proceeds derived from lands granted to the state pursuant to the Morrill Act of 1862, 7 U.S.C. 301 through 308, and the Morrill Act of 1890, 7 U.S.C. 321 through 329, administered by the department on the first day of January preceding the new biennium and 10% of the previous fiscal year revenue deposited into the capitol building land grant trust fund. The Morrill Act permanent fund is not included in this calculation.~~"

{ Internal References to 77-1-109:

| | | | | | | |
|-----------|---|-----------|---|-----------|---|------------|
| 17-3-1003 | x | 17-3-1003 | x | 18-2-107 | x | 20-9-341x |
| 20-9-601 | x | 20-9-601 | x | 20-25-422 | x | 77-1-108x} |

NEW SECTION. **Section 12. {standard} Repealer.** Sections 15-1-122 and 17-1-511, MCA, are repealed.

{ Internal References to a15-1-122: a 7-14-112 a 10-2-112 a 10-2-603
a10-3-801
a61-3-459
Internal References to 17-1-511: a20-26-1501}

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As of: May 27, 2008 (10:08am)

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NEW SECTION. **Section 13.** **{standard} Effective date.** [This
act] is effective July 1, 2009.

- END -

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As of: May 27, 2008 (10:09am)

LC0066

**** Bill No. ****

Introduced By *****

By Request of the Legislative Finance Committee

A Bill for an Act entitled: "An Act revising statutory appropriations; eliminating certain statutory appropriations concerning various miscellaneous provisions; consolidating certain horseracing statutory appropriations into one statutory appropriation; and eliminating one provision concerning an invalid statutory appropriation relative to the CERCLA match debt service fund; amending sections 10-2-603, 17-7-304, 17-7-502, 23-4-105, 23-4-202, 23-4-204, 23-4-302, 23-4-304, 53-6-703, 61-3-415, 75-5-1108, 75-6-214, 75-10-622, 80-5-510, and 87-1-513, MCA; and providing an effective date."

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 10-2-603, MCA, is amended to read:

"10-2-603. Special revenue account -- use of funds -- solicitation. (1) There is an account in the special revenue fund to the credit of the board for the state veterans' cemeteries.

(2) Plot allowances, donations to the cemetery program, and fund transfers pursuant to 15-1-122(3)(d) must be deposited into the account.

(3) ~~The account is statutorily appropriated, as provided in 17-7-502, to the board and may be used by the board only for the construction, maintenance, operation, and administration of the~~

state veterans' cemeteries.

(4) The board shall solicit veterans' license plate sales and donations on behalf of the state veterans' cemeteries."

{ Internal References to 10-2-603:

| | | | | | | |
|-----------|---|-----------|---|----------|---|------------|
| 10-2-102 | x | 10-2-106 | x | 15-1-122 | x | 15-30-154x |
| 15-30-154 | x | 15-30-154 | x | 17-7-502 | A | 61-3-459x} |

Section 2. Section 17-7-304, MCA, is amended to read:

"17-7-304. Disposal of unexpended appropriations. (1) All money appropriated for any specific purpose except that appropriated for the university system units listed in subsection (2) [or state money appropriated for the state children's health insurance program provided for in Title 53, chapter 4, part 10,] and except as provided in subsection (4) must, after the expiration of the time for which appropriated, revert to the several funds and accounts from which originally appropriated. However, any unexpended balance in any specific appropriation may be used for the years for which the appropriation was made or may be used to fund the provisions of 2-18-1203 through 2-18-1205 and 19-2-706 in the succeeding year.

(2) Except as provided in 17-2-108 and subsection (3) of this section, all money appropriated for the university of Montana campuses at Missoula, Butte, Dillon, and Helena and the Montana state university campuses at Bozeman, Billings, Havre, and Great Falls, the agricultural experiment station with central offices at Bozeman, the forest and conservation experiment station with central offices at Missoula, the cooperative extension service with central offices at Bozeman, and the bureau

of mines and geology with central offices in Butte must, after the expiration of the time for which appropriated, revert to an account held by the board of regents. The board of regents is authorized to maintain a fund balance. ~~There is a statutory appropriation, as provided in 17-7-502, and~~ to use the funds held in this account in accordance with a long-term plan for major and deferred maintenance expenditures and equipment or fixed assets purchases prepared by the affected university system units and approved by the board of regents. The affected university system units may, with the approval of the board of regents, modify the long-term plan at any time to address changing needs and priorities. The board of regents shall communicate the plan to each legislature, to the finance committee when requested by the committee, and to the office of budget and program planning.

(3) Subsection (2) does not apply to reversions that are the result of a reduction in spending directed by the governor pursuant to 17-7-140. Any amount that is a result of a reduction in spending directed by the governor must revert to the fund or account from which it was originally appropriated.

(4) (a) Subject to subsection (4)(b), after the end of a fiscal year, 30% of the money appropriated to an agency for that year by the general appropriations act for personal services, operating expenses, and equipment, by fund type, and remaining unexpended and unencumbered at the end of the year may be reappropriated to be spent during the following 2 years for any purpose that is consistent with the goals and objectives of the agency. The dollar amount of the 30% amount that may be carried

forward and spent must be determined by the office of budget and program planning.

(b) (i) Any portion of the 30% of the unexpended and unencumbered money referred to in subsection (4)(a) that was appropriated to a legislative branch entity may be deposited in the account established in 5-11-407.

(ii) After the end of a biennium, any portion of the unexpended and unencumbered money appropriated for the operation of the preceding legislature in a separate appropriation act may be deposited in the account established in 5-11-407. The approving authority shall determine the portion of the unexpended and unencumbered money that is deposited in the account.

(Bracketed language terminates on occurrence of contingency--sec. 7, Ch. 565, L. 2005.) "

{ Internal References to 17-7-304:
5-11-120 x 5-11-407 x 17-7-502A }

Section 3. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be

listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-407; 5-13-403; 7-4-2502; 10-1-1202; 10-1-1303; ~~10-2-603~~; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-1-121; 15-1-218; 15-23-706; 15-31-906; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101; 15-70-369; 15-70-601; 16-11-509; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; ~~17-7-304~~; 18-11-112; 19-3-319; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-4-105; ~~23-4-202~~; ~~23-4-204~~; ~~23-4-302~~; ~~23-4-304~~; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-1-504; 44-12-206; 44-13-102; 50-4-623; 53-1-109; ~~53-6-703~~; 53-24-108; 53-24-206; 60-11-115; ~~61-3-415~~; 69-3-870; 75-1-1101; ~~75-5-1108~~; ~~75-6-214~~; 75-11-313; 76-13-150; 77-1-108; 77-2-362; 80-2-222; 80-4-416; ~~80-5-510~~; 80-11-518; 82-11-161; ~~87-1-513~~; 90-1-115; 90-1-205; 90-3-1003; 90-9-306; and section 2, Chapter 6, Special Laws of May 2007.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws

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of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to Ch. 422, L. 1997, the inclusion of 15-1-111 terminates on July 1, 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates July 1, 2014; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, and secs. 3 and 6, Ch. 481, L. 2003, the inclusion of 15-35-108 terminates June 30, 2010; pursuant to sec. 17, Ch. 593, L. 2005, the inclusion of 15-31-906 terminates January 1, 2010; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410 terminates upon the death of the last recipient eligible under 19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 10, Ch. 6, Sp. L. May 2007, the inclusion of section 2, Chapter 6, Special Laws of May 2007, terminates July 1, 2008; and pursuant to sec. 6, Ch. 2, Sp. L. September 2007, the inclusion of 76-13-150 is effective July 1, 2008, and terminates June 30, 2009.) "

{ Internal References to 17-7-502:

| | | | |
|-----------|-----------|-----------|-----------|
| 2-17-105 | 5-11-120 | 5-11-407 | 5-13-403 |
| 7-4-2502 | 10-1-1202 | 10-1-1303 | 10-2-603 |
| 10-3-203 | 10-3-310 | 10-3-312 | 10-3-312 |
| 10-3-314 | 10-4-301 | 15-1-111 | 15-1-121 |
| 15-1-218 | 15-23-706 | 15-31-906 | 15-35-108 |
| 15-36-332 | 15-37-117 | 15-39-110 | 15-65-121 |

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|---------------------|----------------------|---------------------|----------------------|
| 15-70-101 | 15-70-369 | 15-70-601 | 16-11-509 |
| 17-1-508 | 17-3-106 | 17-3-212 | 17-3-222 |
| 17-3-241 | 17-6-101 | 17-7-304 | 17-7-501 |
| 18-11-112 | 19-3-319 | 19-6-404 | 19-6-410 |
| 19-9-702 | 19-13-604 | 19-17-301 | 19-18-512 |
| 19-19-305 | 19-19-506 | 19-20-604 | 19-20-607 |
| 19-21-203 | 20-8-107 | 20-9-534 | 20-9-622 |
| 20-26-1503 | 20-26-1503 | 22-3-1004 | 23-4-105 |
| 23-4-202 | 23-4-204 | 23-4-302 | 23-4-302 |
| 23-4-304 | 23-5-306 | 23-5-409 | 23-5-612 |
| 23-7-301 | 23-7-402 | 37-43-204 | 37-51-501 |
| 39-71-503 | 41-5-2011 | 42-2-105 | 44-1-504 |
| 44-12-206 | 44-13-102 | 50-4-623 | 53-1-109 |
| 53-6-703 | 53-24-108 | 53-24-108 | 53-24-206 |
| 60-11-115 | 61-3-415 | 69-3-870 | 75-1-1101 |
| 75-1-1101 | 75-5-1108 | 75-6-214 | 75-10-622 |
| 75-11-313 | 77-1-108 | 77-2-362 | 80-2-222 |
| 80-4-416 | 80-5-510 | 80-11-518 | 82-11-161 |
| 87-1-513 | 90-1-115 | 90-1-115 | 90-1-205 |
| 90-3-1003 | 90-9-306} | | |

Section 4. Section 23-4-105, MCA, is amended to read:

"23-4-105. Authority of board. The board shall license and regulate racing, match bronc rides, and wild horse rides and review race meets held in this state under this chapter. All percentages withheld from amounts wagered, amounts set aside pursuant to 23-4-202(4)(d), percentages collected pursuant to 23-4-204(3), percentages collected pursuant to 23-4-302(3) and (5)(b)(iii) and money collected pursuant to 23-4-304(1)(a) and (1)(b), must be deposited in a state special revenue account and are statutorily appropriated to the board as provided in 17-7-502. The board shall then distribute all funds collected under 23-4-202(4)(d), 23-4-204(3), ~~and~~ 23-4-302(3) and (5)(b)(iii), and 23-4-304(1)(a) and (1)(b) to live race purses or for other purposes for the good of the existing horseracing industry. If the board decides to authorize new forms of racing,

including new forms of simulcast racing, not currently authorized in Montana the board shall do so after holding public hearings to determine the effects of these forms of racing on the existing saddle racing program in Montana. The board shall consider both the economic and safety impacts on the existing racing and breeding industry."

{ Internal References to 23-4-105:
17-7-502x }

Section 5. Section 23-4-202, MCA, is amended to read:

"23-4-202. Penalty for violations of law -- authority of board -- judicial review. (1) (a) A person holding a race meet or an owner, trainer, or jockey participating in a race meet, except a participant in a match bronc ride or a wild horse ride, without first being licensed under this chapter or a person violating this chapter is guilty of a misdemeanor.

(b) A person operating a parimutuel facility, parimutuel network, or simulcast parimutuel network that conducts fantasy sports league wagering without first being licensed under this chapter or a person violating this chapter is guilty of a misdemeanor.

(2) The board or, upon the board's authorization, the board of stewards of a race meet at which the stewards officiate may exclude from racecourses a person whom the board or board of stewards considers detrimental to the best interest of racing as defined by rules of the board.

(3) As its own formal act or through an act of a board of

stewards of a race meet, the board may suspend or revoke any license issued by the department to a licensee and assess a fine, not to exceed \$1,000, against a licensee who violates any of the provisions of this chapter or any rule or order of the board. In addition to the suspension or revocation and fine, the board may prohibit application for relicensure for a 2-year period. Fines collected under this subsection must be deposited in the general fund.

(4) The board shall promulgate rules implementing this chapter, including the right to a hearing for individuals against whom action is taken or proposed under this chapter. The rules may include provisions for the following:

(a) summary imposition of penalty by the stewards of a race meet, including a fine and license suspension, subject to review under the contested case provisions of the Montana Administrative Procedure Act;

(b) stay of a summary imposition of penalty by either the board or board of stewards;

(c) retention of purses pending final disposition of complaints, protests, or appeals of stewards' rulings;

(d) setting aside of up to 3% of exotic wagering on races, including simulcast races, to be deposited in a state special revenue account ~~and statutorily appropriated to the board as provided in 17-7-502.~~ The board shall then distribute all funds collected under this subsection to live race purses or for other purposes that the board considers appropriate for the good of the existing horseracing industry.

(e) using 2% of exotic wagering on live racing to be immediately and equally distributed to all purses except stakes races;

(f) assessment of penalty and interest on the late payment of fines, which must be paid before licenses are reinstated;

(g) definition of exotic forms of wagering on races to be allowed;

(h) standards for simulcast facilities;

(i) conduct and supervision of simulcast races and parimutuel betting or wagering on simulcast races;

(j) conduct and supervision of parimutuel facilities, parimutuel networks, simulcast parimutuel networks, and parimutuel wagering on fantasy sports leagues conducted at parimutuel facilities;

(k) conduct and supervision of match bronc rides and wild horse rides; and

(l) conduct and supervision of advance deposit wagering.

(5) The district court of the first judicial district of the state has exclusive jurisdiction for judicial review of cases arising under this chapter."

{ Internal References to 23-4-202:

| | | | | | | |
|----------|---|----------|---|-----------|---|-----------|
| 17-7-502 | A | 23-4-105 | A | 23-4-304 | A | 23-4-304A |
| 23-4-304 | A | 23-4-304 | A | 23-4-304A | { | |

Section 6. Section 23-4-204, MCA, is amended to read:

"23-4-204. Race exclusively for Montana-bred horses -- bonus for winner. (1) For the purpose of encouraging the breeding in this state of valuable registered horses, at least one race

each day at each race meet must be limited to horses bred in this state unless, in the board's judgment, there is an insufficient number of Montana-bred horses for the race. If in the opinion of the board sufficient competition cannot be had among this class of horses, the race may be eliminated for the day and a substitute race provided instead. Races with exclusively Montana-bred horses must be run for 20% higher purses than races in comparable conditions that are not run with exclusively Montana-bred horses.

(2) The licensee conducting the race meet shall pay a sum equal to 10% of the first money of every purse won by a horse bred in this state to the breeder of the horse within 30 days of the end of the race meet. Only the money contributed by the licensee conducting the race meet may be considered in computing the bonus.

(3) Three percent of exotic wagering on a simulcast race must be deposited in a state special revenue account. ~~Those funds are statutorily appropriated to the board as provided in 17-7-502.~~ The board shall then distribute all funds collected under this subsection to live race purses or for other purposes that the board considers appropriate for the good of the existing horseracing industry."

Internal References to 23-4-204:

17-7-502 A 23-4-105A}

Section 7. Section 23-4-302, MCA, is amended to read:

"23-4-302. Distribution of deposits -- breakage. (1) Each

licensee conducting the parimutuel system for a simulcast race meet shall distribute all funds deposited in any pool to the winner of the parimutuel pool, less an amount that in the case of exotic wagering on races may not exceed 26% and in all other races may not exceed 20% of the total deposits plus the odd cents of all redistribution to be based on each dollar deposited exceeding a sum equal to the next lowest multiple of 10, known as "breakage".

(2) Each licensee conducting the parimutuel system for a simulcast race meet shall distribute all funds deposited with the licensee in any pool for the simulcast race meet, less an amount that in the case of exotic wagering on these races may not exceed 26%, unless the signal originator percentage is higher, in which case the Montana simulcast licensee may adopt the same percentage withheld as the place where the signal originated, and that in all other of these races may not exceed 20% of the total deposits plus the odd cents of all redistribution to be based on each dollar deposited exceeding a sum equal to the next lowest multiple of 10, known as "breakage".

(3) Each licensee conducting a parimutuel system for a simulcast race meet shall deduct 1% of the total amount wagered on the race meet and deposit it in a state special revenue account. ~~The funds deposited are statutorily appropriated to the board as provided in 17-7-502.~~ The board shall then distribute all funds collected under this subsection to live race purses or for other purposes that the board considers appropriate for the good of the existing horseracing industry.

(4) (a) Source market fees from licensed advance deposit wagering hub operators must be deposited by the board in the board's state special revenue account.

(b) The board shall pay 80% of the source market fees generated between May 1 and the following April 30 to live race meet licensees based on each live race meet licensee's percentage of the total annual on-track parimutuel handle during the previous live race season. Prior to the beginning of each year's live race season, the correct percentage must be distributed by the board to each live race meet licensee to be used for race purses or other purposes that the board considers appropriate for the good of the horseracing industry.

(c) Ten percent of the source market fees paid to the board in a calendar year may be retained by the board for the payment of administrative expenses. One-half of the remaining 10% of the source market fees paid to the board in a calendar year must, by January 31 of the following calendar year, be paid to the owner bonus program and the other one-half to the breeder bonus program.

(5) (a) The parimutuel network licensee conducting fantasy sports league wagering shall distribute all funds deposited in the pool to the winner of the parimutuel pool less the takeout amount of 26% of the total deposits.

(b) The takeout amount must be distributed as follows:

(i) 15.3846% to the parimutuel facility licensee;

(ii) 23.0769% to the parimutuel network licensee as an administrative fee; and

(iii) 61.5385% to the board's special revenue account. No more than \$316,000 for fiscal year 2008, or 10% for succeeding fiscal years, of the amount collected under this subsection (5)(b)(iii) may be appropriated by the legislature for administration of this chapter. The remaining portion collected under this subsection (5)(b)(iii) ~~is statutorily appropriated, as provided in 17-7-502, must be deposited in a state special revenue account. to the~~ The board shall then distribute this portion for distribution to live race purses and to for other purposes that the board considers appropriate for the good of the existing horseracing industry.

(c) The odd cents of all redistribution based on each dollar deposited that exceeds a sum equal to the next lowest multiple of 10, known as "breakage", as well as unclaimed winning tickets from each parimutuel pool, must be distributed to the parimutuel network licensee."

{ Internal References to 23-4-302:

17-7-502 A 23-4-105 A 23-4-301 x 23-4-303X
23-4-304 x 23-5-805x }

Section 8. Section 23-4-304, MCA, is amended to read:

"23-4-304. Gross receipts -- department's percentage -- collection and allocation. (1) (a) Each live race meet licensee shall pay to the department within 5 days following receipt by the licensee 1% of the gross receipts of each day's parimutuel betting at each race meet. At the end of each race meet the licensee shall prepare a report to the department showing the amount of the overpayments and underpayments. If the report shows

the underpayments to be in excess of the overpayments, the balance must be paid to the department. Money paid to the department may be used for the expenses incurred in carrying out this chapter. The licensee shall, at the same time, pay to the department all funds collected under 23-4-202(4)(d) on exotic wagering on races. These funds must be deposited in a state special revenue account. The board shall then distribute all funds collected under 23-4-202(4)(d) to live race purses or for other purposes that the board considers appropriate for the good of the existing horseracing industry.

(b) Each licensed simulcast facility shall pay to the department either 1% of the gross receipts of each day's parimutuel betting at each race meet or the actual cost to the board of regulating the simulcast race meet, whichever is higher. The money must be paid to the department within 5 days after receipt of the money by the licensee. At the end of each race meet the licensed simulcast facility shall prepare a report to the department showing the amount of the overpayments and underpayments. If the report shows the underpayments to be in excess of the overpayments, the balance must be paid to the department. Money paid to the department must be deposited in an account in the state special revenue fund and must be used for the administration of this chapter. The licensed simulcast facility shall, at the same time, pay to the department all funds collected under 23-4-202(4)(d) on exotic wagering on races. These funds must be deposited in a state special revenue account. The board shall then distribute all funds collected under

23-4-202(4)(d) to live race purses or for other purposes that the board considers appropriate for the good of the existing horseracing industry.

(c) The licensed parimutuel network conducting fantasy sports league wagering shall pay the funds distributed pursuant to 23-4-302(5)(b)(iii) to the department within 10 days after receipt of the money by the licensee.

(2) Prior to the beginning of the live racing season, funds collected under 23-4-202(4)(d) must be distributed by the department, after first passing through a state special revenue account, to be used for race purses that are distributed to each live race meet by the board or for other purposes that the board considers appropriate for the good of the horseracing industry.

~~(3) Except for funds collected under subsection (1)(c), the funds collected under this section and deposited in a state special revenue account are statutorily appropriated to the board as provided in 17-7-502."~~

{ Internal References to 23-4-304:
17-7-502 A 23-4-301 x 23-5-805x }

Section 9. Section 53-6-703, MCA, is amended to read:

"53-6-703. Managed care community network. (1) A managed care community network shall comply with the federal requirements for prepaid health plans as provided in 42 CFR, part 434.

(2) A managed care community network may contract with the department to provide any combination of medicaid-covered health care services that is acceptable to the department.

(3) The department, prior to entering into a contract, shall require that a managed care community network demonstrate to the department its ability to bear the level of financial risk being assumed by servicing enrollees under a contract for comprehensive physical or mental health care services. The department shall by rule adopt criteria for assessing the financial solvency of a network. The rules must consider risk-bearing and management techniques and protections against financial insolvency if a managed care community network is declared insolvent or bankrupt, as determined appropriate by the department. The rules must also consider whether a network has sufficiently demonstrated its financial solvency and net worth. The department's criteria must be based on sound actuarial, financial, and accounting principles. The department is responsible for monitoring compliance with the rules. The department shall provide for independent review of any contract provisions and contract compliance with the financial solvency rules.

(4) A managed care community network may not begin operation before the approval of any necessary federal waivers and the completion of the review of an application submitted to the department. The department may charge the applicant an application review fee for the department's actual cost of review of the application. The fee must be adopted by rule by the department. Fees collected by the department must be deposited in an account in the special revenue fund ~~and are statutorily appropriated, as provided in 17-7-502, to be used by the~~

department to defray the cost of application review.

(5) A health care delivery system that contracts with the department under the program may not be required to provide or arrange for any health care or medical service, procedure, or product that violates religious or moral teachings and beliefs if that health care delivery system is owned, controlled, or sponsored by or affiliated with a religious institution or religious organization but must comply with the notice requirements of 53-6-705(4)(c)."

{ Internal References to 53-6-703:
17-7-502A }

Section 10. Section 61-3-415, MCA, is amended to read:

"61-3-415. Special motorcycle license plates -- department to design -- fees -- distribution. (1) A Montana resident who is the owner of a motorcycle or quadricycle titled and registered under this chapter and who pays the fee required under subsection (2) may be issued a special motorcycle license plate bearing a design created by the department. The design must recognize the efforts of one or more Montana-based nonprofit organizations that grant wishes to chronically or critically ill Montana children.

(2) A person requesting a special motorcycle license plate under this section shall pay to the county treasurer:

(a) an administrative fee of \$5 upon issuance of the special license plate, to be deposited in the county general fund;

(b) a \$5 license plate fee; and

(c) a donation fee of \$20.

(3) The county treasurer shall remit the fees required in subsections (2)(b) and (2)(c) to the department. For each special plate issued, the department shall deposit \$5 in the state general fund and \$20 in an account in the state special revenue fund to be used by the department as provided in subsection (4).

(4) The department shall use the money deposited in the account in the state special revenue fund as provided in subsection (3) to provide grants, using criteria established by the department, to Montana-based nonprofit organizations that grant wishes to Montana children who are chronically or critically ill.

(5) The department shall adopt rules to identify the entity or entities that may qualify for grants under this section and to establish the criteria that an entity must meet to receive grant funds.

~~(6) The account in the state special revenue fund provided for in subsection (3) is statutorily appropriated to the department, as provided in 17-7-502."~~

{ Internal References to 61-3-415:
17-7-502 }

Section 11. Section 75-5-1108, MCA, is amended to read:

"75-5-1108. Use of funds -- ~~statutory appropriation~~. Money in the revolving fund is ~~statutorily appropriated, as provided in 17-7-502,~~ for the purposes of making loans to municipalities and private concerns and paying debt service on obligations."

{ Internal References to 75-5-1108:
17-7-502A }

Section 12. Section 75-6-214, MCA, is amended to read:

"75-6-214. Use of funds -- ~~statutory appropriation.~~ Money in the revolving fund is ~~statutorily appropriated, as provided in 17-7-502,~~ for the purposes of providing financial assistance to public water systems."

{ Internal References to 75-6-214:
17-7-502A }

Section 13. Section 75-10-622, MCA, is amended to read:

"75-10-622. CERCLA match debt service fund. (1) There is a CERCLA match debt service fund within the debt service fund type established in 17-2-102.

(2) The state pledges, allocates, and directs to be credited to the CERCLA match debt service fund money from the resource indemnity and ground water assessment tax, as provided in 15-38-106, and from the CERCLA cost recovery account, as provided in 75-10-631.

~~(3) Money in the CERCLA match debt service fund is statutorily appropriated, as provided in 17-7-502(4)."~~

{ Internal References to 75-10-622:
15-38-106 x ROGER, please note: I believe a coordination bill to add 75-10-622 to 17-7-502 will be needed if this bill fails }

Section 14. Section 80-5-510, MCA, is amended to read:

"80-5-510. Administration of fees. Filing fees and reimbursed costs must be deposited in the seed account

established in 80-5-132 for the purpose of funding costs of investigation and alternative dispute resolution. Funds deposited under this section are ~~statutorily appropriated, as provided in 17-7-502,~~ to pay actual expenses incurred by the department to administer the alternative dispute resolution program provided for in this part."

{ Internal References to 80-5-510:
17-7-502x }

Section 15. Section 87-1-513, MCA, is amended to read:

"87-1-513. Disposition of proceeds of sale. (1) The money obtained upon the sale of seized property must be retained and accounted for by the department when the person having the property in possession at the time of seizure is prosecuted or when a prosecution of the person is pending. If the person charged with violation of the law is found guilty of or forfeits bond for violation of the fish and game laws of the state, the money received for the sale of seized property must be paid over to the state treasurer and be deposited to the credit of the fish and game fund, except as provided in subsection (2). If the party from whom the property was taken is not found guilty of any violation of the fish and game laws of this state, the money must be paid to the party from whom the game birds, wild animals, fish, or parts or portions thereof were taken. An officer is not liable for any damage on account of any search, examination, seizure, or sale. When wild animals, game birds, or fish are seized as provided in this part and the person or persons who

killed or captured the wild animals, game birds, or fish cannot be ascertained or when the animals sold were killed pursuant to 87-1-225, then the money received from the sale of the wild animals, game birds, or fish must be paid directly to the state treasurer. The cost of advertising notice of sale, as required by 87-1-511, must be paid from the fish and game fund.

(2) The proceeds, after the department's cost of conducting the sale and costs incurred in donating game animal meat are deducted, from the sale of seized game animal meat must be deposited in the state special revenue fund to the credit of the department of public health and human services ~~and are statutorily appropriated, as provided in 17-7-502, to the department of public health and human services for the purposes of awarding grants to the Montana food bank network in this state. Money from the grants awarded to the Montana food bank network must be used for the processing of donated game animal meat. Any grant funds remaining after donated game animal meat is processed may be used for other appropriate purposes by the Montana food bank network."~~

{ Internal References to 87-1-513:
17-7-502 A 81-2-120 x 87-1-506x }

NEW SECTION. **Section 16.** {standard} **Effective date.** [This act] is effective July 1, 2009.

- END -

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